



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Amendment to Sanitary City Franchise Agreement

MEETING DATE: September 4, 1991

PREPARED BY: City Attorney

RECOMMENDED ACTION: Council consideration of proposed amendment attached.

BACKGROUND INFORMATION: California Waste Removal Systems has requested per the attached letter dated May 21, 1991 that the franchise agreement between that firm and the City be modified.

As specified in the letter, California Waste would like to change the dates for its annual rate review and adjustment.

At present, the agreement calls for rate review in June with any adjustments granted by the Council becoming effective July 1 of each year. Because of California Waste's accounting practices and methods, this presents a time problem since their fiscal year ends March 31 and annual statements are usually not available until near the end of June.

California Waste would prefer that the agreement be modified to require review of rates in September with any new rates becoming effective October 1.

FUNDING: None required

Respectfully submitted,

Bob McNatt
City Attorney

BMN :br

Attachment

CCCOM301/TXTA.07A

APPROVED _____

THOMAS A. PETERSON
City Manager



California waste

removal systems

May 21, 1991

Hr. Ton Peterson
City Manager
City of Lodi
Call Box 3086
Lodi, CA 95241

Re: Annual Rate Review

Dear Hr. Peterson:

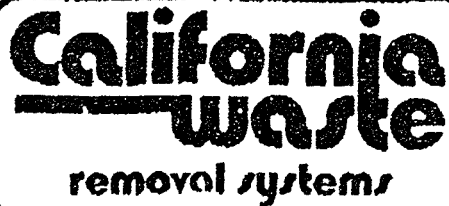
In review of our contract it states that the rates established shall be reviewed annually during the month of June, and if appropriate, adjusted effective July 1.

We would like to request an amendment to our present franchise agreement to extend the time frame on the entire rate review process. We make this request for the following reasons:

1. Technically, it is extremely difficult for our outside accountants to produce audited financial statements by June 1st of each year. Our fiscal year ends March 31st each year, and it takes a considerable amount of time to closeout the year and make a 60 day turnaround for finalized, audited financial statements by June 1st of each year. This year's statements will not be readily available until the end of the June. As a result, each year we come to the City asking for an extension of time.

2. In light of the new requirements of AB939, the City of Lodi may make a dramatic operational change in refuse collection, and this will effect the rate;

3. Finally, due to recent developments with regard to the industrial customers coming under the franchise, this too will effect the rate.



Tho above three variables provide for a complex determination of rates which in turn necessitates a longer time period than one month to review as required in the precant contract. Therefore, we would like to propose that the contract be amended to review the rates through the month of September, and new rates be put into effect October 1st of each year.

Please consider our request, and I will contact you to discuss *it* further.

Very truly yours,


David Vaccarezza
President

fin

ORDINANCE NO. 1522

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING THE CITY'S EXCLUSIVE FRANCHISE
FOR WASTE DISPOSAL SERVICES

=====

WHEREAS, on September 28, 1988 under Ordinance 1433, the Lodi City Council granted to Lodi City Sanitary Disposal Company, Inc. the exclusive right to collect all residential and commercial waste within the City limits; and

WHEREAS, it now appears necessary and desirable to modify that agreement by changing the date for rate review and adjustment;

NOW, THEREFORE, the Lodi City Council ordains as follow;:

SECTION 1. The agreement entered into between the City and Lodi Sanitary City Disposal Company, Inc. on September 7, 1988 is hereby amended as described in the Addendum To The Agreement attached hereto.

SECTION 2. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 3. This ordinance shall be published one time in the Lodi News Sentinel, a daily newspaper of general circulation printed and published in the City of Lodi and shall be enforce and shall take effect thirty days from and after its passage and approval.

Approved this 7th day of September 1991

David M. Hinchman
Mayor

Attest :

Alice M. Reimche
City Clerk

=====

CCCOM301/TXTA.07A

State of California
County of San Joaquin, ss.

I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1522 **was** introduced at a regular meeting **of** the City Council of the City of Lodi held September 4, 1991 and **was** thereafter passed, adopted and ordered to print at a regular meeting **of** said Council held on September , 1991.

Ayes: Council Members

Noes: Council Members

Absent: Council Members

I further certify that Ordinance No. 1522 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

Alice M. Reimche
City Clerk

Approved **as** to Form:

Bob McNatt
City Attorney

MODIFICATION TO AGREEMENT
=====

THIS MODIFICATION TO THE AGREEMENT DATED SEPTEMBER 7, 1988 (The Agreement) is entered into this day of 1991 by and between the parties to the original agreement. All terms of the original agreement., save and except those additions, deletions, and modifications specified herein shall continue .

RECITALS
=====

Paragraph 25 of the original Agreement (Collection Rates) shall be modified to read as follows:

The City shall have the right to determine the rates contractor may charge to customers for refuse collection and transportation services. The rates established shall be reviewed annually during the month of September and, if appropriate, adjusted effective October 1. In its determination of any appropriate rate adjustments, the City Council may consider, by not be limited to, the change in the Consumer Price Index and/or other indices deemed appropriate for the past twelve months, and/or any extraordinary increases or decreases in the cost of equipment, insurance, fuel, Federal, State and/or local government taxes, fees, assessments, or other special costs.

IN WITNESS WHEREOF the parties hereto have set their hands the date and year first mentioned above.

CITY OF LODI

LODI SANITARY CITY DISPOSAL COMPANY

Thomas A. Peterson
City Manager

Dave Vaccarezza
President

Approved As To Form:

Attest:

Bob McNatt, City Attorney

Alice M. Heimche, City Clerk

CCCOM301/TXTA.07A